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OFFICE OF STRATEGIC SERVICES

Research and Anaylsis Branch

Far Eastern Section

R&A no.557

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C C Stelle, DRF
By E C Barnes
Date: Jan. 14, 1947

GERMAN-JAPANESE BLOCKADE-RUNNING

Situation Report No. 11

July 25, 1942

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SUMMARY

Despite the recent public assurances of the British Ministry of Economic Warfare minimizing the success of German-Japanese blockade-running, private reports from the Ministry acknowledge the growing seriousness of this trade. Eleven ships are known to have run the blockade from Japan to Germany since July of 1941, eight of them since January 1942, while at least six ships have succeeded in reaching Japan from occupied Europe. The estimated 55,000 to 60,000 tons of cargo carried to Germany and the 35,000 tons carried to Japan appear to be relatively small quantities; but in terms of strategic value, they loom large. If this trade continues as successfully in the future as it has in the past, it appears likely that Germany will be able to make up her deficiencies in rubber and considerably ease her position in tin, wolfram, and hemp; while Japan will greatly add to her productive capacity through the acquisition of essential dynamo and machinery plants and parts.

Two routes are used for blockade-running. One is around Cape Horn and the other around South Africa. They both offer natural and strategic difficulties in blockade control. Control of Malaya by the Japanese facilitates blockade-running via the Indian Ocean and around South Africa; and as long as they continue to occupy the south Pacific islands, it will be difficult to eliminate successfully German-Japanese blockade-running around Cape Horn.

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By HT
Date 6/5/50

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II. PURCHASING ACTIVITIES

In a report dated April 3, 1942, the British Ministry of Economic Warfare stated that it had obtained reliable evidence that Germans in Japan have commenced purchasing on a fairly extensive scale such materials as wolfram, tin, and rubber. There has even been a suggestion of competition between German and Japanese agents in the purchase of materials in the Far East urgently needed by both countries.

Definite indications of this increased trade activity are shown by the fact that the German Purchasing Commission's contracts in the Far East now number 192, as compared with about 160 at the outbreak of the Russo-German war, and 171 at the beginning of 1942. Similar activities in Germany are also in evidence. The Yokohama Specie Bank issued 19 of what are apparently licenses to pay reichmarks during January and February, 57 of such licenses during March, and over 31 in the first half of April. German deliveries of machinery and warehouse receipts to Japanese agents and Military and Naval Attaches in Germany were also reported. On March 6, 1942, the British Ministry of Economic Warfare stated that Mitsui in Tokyo had requested their Berlin branch to offer 500 tons of ethylene dibromide for March-July shipment. At the beginning of May of this year, a German press agency reported that the Japanese minister to Sofia had signed an agreement with the Bulgarian Ministry of Commerce to supply Bulgaria with 5,000 motor car tires.

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I. INTRODUCTION

Recent advices from reliable sources indicate that the Germans and Japanese are becoming increasingly active in blockade-running. These are supported by evidences of accelerated purchasing activities; by production and construction plans based on requirements, which can only be satisfied by shipping between Japan and Europe; and by ships and cargo which have been observed to have run the blockade.

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IV. CLASSES AND TYPES OF COMMODITIES SHIPPED

In addition to the figures for trade materials given in the foregoing paragraphs, known figures for quantities of certain items of trade include imports to Germany of 750 tons of soy bean oil and 200 tons of tin ore; imports to Japan of 20,000 spark plugs at a monthly rate of 5,000, beginning in September; and ten tons of strontium nitrate and five tons of strontium carbonate for delivery in three weeks, from the beginning of May. Germany is expecting to obtain 60,000 tons of rubber in 1942, as compared with the estimated 37,000 tons she obtained in 1941. Other items that Germany is believed to be importing from Japan are silk and cotton tissues, beans and peas, camphor, menthol, isinglas, peppermint, fish oil, coconut oil, and copra. Known items of Japanese imports from Germany this year include ball bearings, bevel gears, milling and hobbing machines, abrasives, forging presses, optical glass, large boilers, gas cylinders, calcium chromate, a cartridge-making plant, and a complete hydrogen plant for Manchukuo.

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III. PRODUCTION SURPLUSES AND CONSTRUCTION REQUIREMENTS

In general, the Japanese appear to have more surpluses of the materials required by the Germans than the Germans have of materials required by the Japanese. In rubber and hemp, the Japanese have large surpluses. The Japanese plans for dealing with the rubber industry in Malaya have been reported to be as follows: production is to be reduced to 455,000 tons. Of this, Japan will take 125,000 tons; 25,000 tons will go to Manchukuo and China; 10,000 will remain in Malaya; and the remaining 295,000 tons will go toward the maintenance of stocks and toward supplying the Axis allies. The Japanese commander at Singapore, Tomoyuki Yamashita, issued a statement on June 22, 1942, as follows:

> "Excess rubber will be constantly sent into Manchukuo to be piled or stored there. In the future it shall be utilized to advantage. And also in the future German and Italian negotiations might be completed so that exports of rubber can be handled."

Japan has control of ample stocks of Manila hemp to ship 35,000 tons to Germany -- enough to satisfy deficient German needs for nearly two years according to British estimates. While Japanese authorities reported a deficiency in their stocks of hemp recently, the British Ministry of Economic Warfare believes the report to be false. Given the feasibility of shipping with reasonable success, rubber and hemp will constitute two of the items exported by Japan to Germany this year.

Japanese needs run along different lines. There is evidence that the Japan Iron Manufacturing Company and the North China Development Company are proceeding with the construction of a large iron works in North China. The Japan Iron Manufacturing Company is also proposing to extend their Hirohata Iron Works near Kobe. Certain other heavy industrial plants, such as hydro-electric plants, were in process of completion in Manchukuo pending delivery of necessary items of machinery and dynamos prior to the outbreak of the Pacific War. These works require blast furnaces, rolling mills, dynamos, and other items of heavy machinery from Germany, which would form a major part of German shipments to Japan this year.

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V. SHIPS INVOLVED IN, AND AVAILABIE FOR, BLOCKADE-RUNNING

Ships of various nationalities have been used in German-Japanese trade and blockade-running. In November of last year, a ship of the French flag, the Francois, L.D. made a trip to and from Saigon from Casa Blanca, although she was ostensibly scheduled to sail for Marsailles. She was ordered to scuttle herself if intercepted by the British. Another French ship, the S.S. Charles, loaded with 6-7,000 tons of rubber and ordered to follow the same route as the Francois also made the trip from Indo-China last November. Two ships which failed to make the blockade were the Odenwald, captured by American naval forces, and the Spreewald sunk by a German submarine off Bordeaux. However, the German Elsa Essberger of 6,103 gross registered tonnage (g.r.t.) reached Spain from Japan on January 12 of this year.

On March 6, 1942, it was reported that the German ship Tannenfels was allegedly preparing to sail from Bordeaux to South America, but most probably intending to make a Far Eastern port. She was said to be carrying cargo which is known to have been made ready in Germany for early despatch to Japan. An Italian motor vessel of 6,244 g.r.t. with a dead weight capacity of 8,500 tons, which was last heard of in Far Eastern waters, was photographed off Cape Finisterre on April 20. It subsequently put into Ferrol, Spain, and proceeded to a port on the French Biscay Coast, probably Bordeaux. When photographed, she was loaded down. Another Italian vessel making the trip from the Far East in April was one answering to the description of the Pietro Onseolo. It was said to have gone to a North Sea Port from the Far East, by way of Cape Horn, in a trip of 58 days.

Since July 1, 1941, it is estimated that 11 ships have arrived in occupied ports in the Bay of Biscay from Japan, eight of these during the first five months of 1942. During the same period, six ships are known to have left European ports for the Far East.

The British Ministry of Economic Warfare believes that there are still 13 or 14 German ships of types suitable for blockade-running. In Bordeaux alone, there were at the end of May 1942, some 18 ships belonging to Axis, or Axis-controlled, nations which could make the journey to the Far East without refueling. They had a total gross registered tonnage of 123,460 tons, averaging about 6,500 tons each. There are a number of Japanese vessels, as well as two of the French ships requisitioned in Indo-China, which might also be used. Smaller ships, incapable of making the whole trip to the Far East without refueling, might also be in use if fuel is furnished them in Argentinian or Chilean ports.

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VI. ROUTES FOR BLOCKADE-RUNNING

Two routes are used for Japanese trade with Germany. The route from Japan via the Dutch East Indies and the Cape of Good Hope to Dakar is 10,000 miles long. The alternate route, via the Pacific and Cape Horn to Dakar, is 14,000 miles long. Both sea lanes have been used. In a report dated June 6, it was revealed that war material was being shipped to Thailand for Japan from Germany and Switzerland. Ships reportedly of Spanish registry carried this cargo from Spanish ports around Cape Horn. Refueling was believed to take place at Portuguese Guinea, Rio de Janeiro, and some point in the Pacific. Transshipment through Argentina and Chile may also occur where smaller ships unable to make the longer trip are used. It has been reported that a new shipping service between Argentina and Chile has been inaugurated; and in this connection, it is interesting to note that Chilean-Japanese trade, for instance, was greater for the first four months of 1942 than for the same period in either 1941 or 1940.

The use of both French shipping and French ports has proved most helpful to the Axis nations in running the European end of the blockade. Casa Blanca is of especial importance in this respect, for much of the threat from allied ships can be avoided by transshipment overland to Oran from where there is little difficulty in getting the cargos to France and thence to Germany. In the matter of ships, article XI of the Franco-German armistice terms requires that the Armistice Commission must sanction any voyage made by a French ship. Ship manifests must be submitted to German agents, and German agents supervise cargo discharge and disposal. The enemy knows all about the cargoes, and can requisition or buy any or all of the goods which he desires. In some cases, such as rubber, 100 percent of consignments are taken.

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VII. BUNKER REQUIREMENTS FOR ROUTES INVOLVED

Bunker requirements for a ship making the whole trip without refueling have been computed as follows on the basis of an 8,000 g.r.t. ship with an average speed of 10 knots, a cargo capacity of 12,000 tons, and bunker capacity of 1,100 tons of coal, 800 tons of fuel oil, or 500 tons of diesel oil:

Distance of trip	10,000 miles			14,000 miles		
Number of days steaming	42			59		
	Coal	Fuel oil	Diesel	Coal	fuel oil	Diesel
Daily bunker consumption	30	20	10	30	20	10
Total consumption	1260	840	420	1770	1180	590
Bunker load including 25% emergency supply	1600	1050	550	2250	1500	750
Bunker capacity	1100	800	500	1100	800	500
Excess tonnage of bunker load over bunker capacity	500	250	50	1150	700	250

It appears probable that a certain percentage of valuable cargo space must be sacrified for the carrying of the necessary amount of fuel for the long trip. This necessity, however, is eliminated if refueling can be accomplished at Portuguese Guinea or Argentina, or by tenders operating in the Pacific.

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VIII. THE SUCCESS ACHIEVED IN BLOCKADE-RUNNING

The information in the previous paragraphs shows that despite difficulties and obstacles in the path of German-Japanese trade comparable to those confronting the Allies in supplying China, the Axis partners are making great, and apparently successful, efforts to augment each other's deficient supply of war materials in increasing quantities.

In a recent public pronouncement, the British Ministry of Economic Warfare minimized the success of the blockade-running; but in its confidential documents, it recognized the increasing gravity of the situation. It is estimated that between 55,000 and 60,000 tons of cargo from the Far East have slipped through to Germany since July 1, 1941. Since the start of the Pacific War, about 25,000 tons of rubber have been received by Germany from the Far East; and it is possible that more rubber has slipped through. On the other end, Japan has received to date some 35,000 tons of war materials from Europe since the start of the Pacific War. While in terms of general cargo the figures may appear small, they loom large in terms of strategic commodities. On June 19 of this year, the Ministry of Economic Warfare stated that:

> "Particulars now show that blockade-running between Germany and the Far East is serious. Inward traffic if it continues may be sufficient to satisfy essential German military requirements in (the Ministry probably means to say deficiencies in) rubber, tin, wolfram, and hemp, and perhaps to make a significant contribution to next winter's fat rations. Cargo outwards, though smaller in bulk, is likely to be no less valuable to Japan."

IX. CONCLUSION

This success in blockade-running may be attributed to several factors. Weather conditions at strategic sections of the shipping routes create difficulties in guarding sea lanes. Off Cape Horn, for instance, fog often aids the enemy merchant ships to slip unobserved past the British naval base at the Falkland Islands. The extension of Japanese control over the south Pacific islands eastward to the Coral Sea has greatly increased the length of the sea lane over which Axis ships may voyage with relative safety in blockade-running between Europe and Asia. Likewise, Japanese control of a large part of the Indian Ocean has facilitated the safe westward voyage of enemy ships going around Africa. At the same time, the possession of advanced bases in the south Pacific enables the Japanese to engage in such extensive submarine warfare that naval forces of the United Nations must concentrate on guarding convoys, leaving few ships available for hunting blockade-runners. As long as the Japanese are left in control of Malaya and Burma, blockade-running by the enemy westward around Africa will continue to be greatly facilitated; and as long as they continue to occupy the south Pacific islands, it will be most difficult to eliminate successfully German-Japanese blockade-running around Cape Horn.

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OFFICE OF STRATEGIC SERVICES

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GERMAN-JAPANESE BLOCKADE-RUNNING

~~Situation Report No. 11~~

R & A 557.7

July 25, 1942

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C.C. Stelle, DNF
By D C Bank
Date JAN 14 1947

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